GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1049
ANSWERED ON:28.11.2006
WTO
Scindia Shri Jyotiraditya Madhavrao

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether developed countries and others have been pressing India to offer concessions in regard to agriculture issues before reviving trade talks under the aegis of the World Trade Organisation(WTO);

(b) if so, the Government`s reaction thereto; and

(c) the steps taken so far by the developed countries in response to developing countries demand to withdraw the disproportionate support given by developed nationals in their agriculturists to bring the farmers in developing countries on an equal footing with their counterparts in developed countries under the WTO regime?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) and (b) : The suspension of negotiations in the World Trade Organisation (WTO) across all areas of the Doha Work Programme in July 2006 was to enable the serious reflection by Members and time-out to review the situation, examine available options and review positions, particularly in respect of the divergences in agricultural domestic support and market access issues.

Since then, informal consultations have been held among Members of the WTO with a view to gauging the flexibilities in the previously held positions of all Members, including the G-20 and G-33 alliances of which India is a Member. The G-20 Ministerial Meeting held at Rio de Janeiro in September 2006, along with country-coordinators of the G-33, the African-Caribbean-Pacific countries, the Least Developed Countries, the African Group, the Small Vulnerable Economies, the Cotton-4, and NAMA-11, emphasized that the livelihood and standards of living of the poor farmers in developing countries are seriously jeopardized by the subsidies and market access barriers prevailing in international agricultural trade, and that any Round that would be faithful to its development dimension must urgently redress this situation. This position has been reiterated since then by India and others. On 16 November 2006 it has been agreed to resume work in all the negotiating groups across all a reas of the Doha Work Programme.

(c):Through the WTO General Council Decision of August 2004, certain principles and elements to guide further negotiations towards establishing modalities, inter alia, in agriculture were agreed upon by all WTO Members, including the developed countries. These included harmonization of overall trade-distorting domestic support and the Amber Box support, and agreement on a ceiling on the payments made under the Blue Box provisions of five per cent of the agricultural production value in a historic base period. A Declaration was adopted at the conclusion of the Sixth Ministerial Conference of the WTO held at Hong Kong in December 2005, whose key outcomes included a decision to eliminate export subsidies by 2013, with the substantial part in the first half of the implementation period, and to eliminate cotton export subsidies by developed countries by 2006. On trade-distorting domestic support, the three heaviest subsidizers would attract higher linear cuts, and trade-distorting domestic subsidies provided to cotton have to be reduced more ambitiously and over a shorter period of time.